

PA WING HEADQUARTERS
CIVIL AIR PATROL
United States Air Force Auxiliary
Building 3-108
Fort Indiantown Gap
Annville, PA 17003

Supplement 1
CAPR 173-2
15 JAN 2006

Finance

FINANCIAL PROCEDURES FOR CAP REGIONS AND WINGS

CAPR 173-2 16 NOVEMBER 2005 is supplemented as follows:

Financial Procedures for Pennsylvania Wing Civil Air Patrol.

Financial procedures – finance committee authority and responsibilities

1 Requirements:

- a) To maintain a uniform system of budgeting, accounting and control. Follow all the established policies and procedures in the CAP Regulation 173-2 16 November 2005.

2 Duties and Responsibilities:

- a) The Wing Commander shall establish a Finance Committee. This Committee will be composed of the CC, CV, CS, FM, at least one other Wing Member with finance experience, and Non-voting Members will include the EX and SD. Department Directors will be invited to participate in the Finance Committee during discussion involving their Department as needed.
- b) Engage the professional services of an independent certified/licensed public accountant. The accountant will advise the Committee on the maintenance of the Wing financial records and will perform an annual audit and prepare all financial records in accordance with CAPR 173-2 and Guidelines issued by National Headquarters or their CPA/Audit Firm.
- c) Maintain an adequate system of internal accounting control of all funds, including counterdrug administrative funds.
- d) The Finance Committee will maintain written minutes at each meeting and meet at least once a quarter.
- e) Maintain an internal audit capability. One Member of the Committee, other than the Finance Officer, will perform a quarterly audit of the Wing financial records, to ensure compliance with the provisions of CAPR 173-2.
- f) The Finance Officer will request that the NHQ Wing Financial Analyst perform a quarterly audit of the Wing financial records, to ensure compliance with the provisions of CAPR 173-2.
- g) Checks will require two signatures. Authorized signers will be the members of the Command Group, EX, Wing Administrator, and FM; one of these signatories must be the FM, Assistant FM, or Wing Administrator.
- h) Signers are never to sign checks to reimburse themselves or to members of their household.

3 Approval of Budgets and Expenses.

- a) The PAWG FM will maintain budgetary control through a working budget that will be reviewed at each finance meeting establishing approval for authorization of all payments; including all recurring expenses.
- b) Any expenses over \$3,500.00 that is not included in the working budget will require approval of the Finance Committee in writing (minutes or an e-mail vote will suffice).
- c) Any two members of the Finance Committee are authorized to approve payments up to \$3,500.00 for expenses that are not included in the working budget. For A/C Maintenance the PAWG/LGM and one member of the Finance Committee may authorize payments up to \$3,500.00.
- d) Any member of the Finance Committee is authorized to approve payment up to \$1,000.00 for expenses that are not included in the working budget.
- e) Any member of the Finance Committee may authorize payment for Credit Card invoices up to the \$5,000.00 limit as long as the individual itemized items are within the working budget or within their limit and the person that made the charges verifies the charges are accurate.
- f) The Finance Committee per approves all transfers of funds between our own bank accounts with two signatures of the EX, Wing Administrator, or FM up to \$50,000.00 per month.

4 Department Budgets.

- a) Maintain budgetary control over the financial affairs of Wing Headquarters and Department Budgets.
- b) By 30 June of each year the Department Directors will submit a proposed budget for their Departments. The Finance Committee will review and modify these requests maintaining the goals and objectives of the Wing.
- c) Prior to 1 September of each year, the Finance Committee will prepare a budget for the next fiscal year and a proposed budget to submit to DMVA for the following year.
- d) Prior to 30 September of each year, the Finance Committee will review, revise and approve Final Department Budgets.
- e) The EX, FM and Accountant will review the PAWG working budget before payment is to be processed on any expenses, invoices, bills, or purchase orders. If a payment is not included in the PAWG working budget they will follow the necessary steps outlined before processing the payment.

5 Approval of Department Budget / Administrative Expenses.

- a) PAWG Form 108 Expense reports, bills or invoices require two authorizations in writing that the submitter has requested reimbursement (i.e. e-mail). These signatures can be the submitter and their department director or, in the case of a department director, the submitter and a member of the command group, FM, or EX is required.
- b) Submitter will code the expense report, bill, or invoice with the Department or Project and the Category to which the expense is to be posted.
- c) Submitter will review the expense report, bill, or invoice checking the amounts and matching the original receipts.
- d) In the case of routine expenses, such as utilities, phone expenses, office supplies, etc, in the PAWG working budget only one signature or notation in writing (i.e. e-mail) from

one member of the command group, FM or EX will be required after reviewing the expense for accuracy.

6 Procedures for Bills, Invoices, & Purchase Orders

- a) Submitter will code the bill, invoice, or Purchase Order with the Department or Project and the Category the charge is to be posted to.
- b) Receipts must be attached to all expenses.
- c) Review the expense report. Check that balances equal the receipts,
- d) Make sure the Department Director has authorized approved the expenses of their Staff or their Department.
- e) After reviewing for accuracy. A member of the Command Group, FM, or EX must also authorize payment the Director's submitted expense reports, or bills, to authorize the Accountant to process the payment.

7 Aircraft Bills, Invoices and Expenses

- a) All aircraft invoices and expenses require two authorizations. This will be the aircraft OIC, or the pilot receiving the a/c or the Group Commander responsible, or the PAWG/LGM, and a member of the Command Group, FM, or EX.
- b) Fuel bills will be signed by the Pilot.
- c) When the fuel invoice arrives, it may be approved by one signature from among Command Group, FM, EX, or LGM.
- d) **Procedure**
 - i) Submitter will determine if the expense is mission related or general maintenance account bill and submit it on a 108 if a mission expense or directly, through the Wing/LGM as appropriate.
 - ii) The submitter must consult with the Wing/LGM to determine how to handle specific invoices and will be required to consult with the Wing LGM for major maintenance items.
 - iii) Invoices will be locally approved by the OIC or receiving pilot to ascertain that the required work was satisfactorily accomplished before it is forwarded to PA Wing Headquarters for payment. Methodology can be various and as approved by LGM, EX COM, and Central Accounting Plan from time to time.
 - iv) If the invoice arrives at PA Wing Headquarters for payment without an authorization, it will be forwarded to the Wing/LGM for authorization prior to Wing Command authorization.
- e) Flights that are to be paid out of the PA Wing Department Budgets must have a notation in the flight log stating that it is a C8 with the appropriate letter indicating conference, C9 Maintenance or C9R Repositioning flight and to be billed to which department or event and the justification of the flight which to be billed.
- f) Flights billed to one of PA Wings Groups must have a notation in the flight log stating which group is to be billed and the justification of the flight. These flights will be paid for out of the group's flight fund.

8 Expense Guidelines.

- a) Expenses must be approved in the department budgets or by the finance committee.
- b) CAPF 37E must be completed and submitted to PA Wing for all equipment purchased over \$300.00.

- c) Sales Tax will not normally be paid or reimbursed. Use Tax exempt form.
- d) All expenses will be submitted for reimbursement on a PAWGF 108-1. In accordance with the preceding guidelines and accompanied by the receipts, or that un-receipted amounts are not over \$25.00, and/or the circumstances are such that a receipt is not required (i.e. parking expense for metered parking, etc.) If a receipt has been lost or can not be obtained the submitter must include a written statement explaining the expense and that the expenses are legitimate the amounts and date.
- e) Department Director must sign Expense Reports for expenses that are to be deducted from their department's allocation. Expenses will not be paid that exceed the department's allocation.
- f) The Wing Commander must authorize all land line phone, bulk rate accounts, and cell phone contracts including the base amount that are to be paid by PA Wing. Calls that exceed the contract minutes must be for CAP business if they are to be reimbursed. The member is responsible for justifying the calls.
- g) The PA Wing Purchase Order Form should be used when ordering any items that will be billed to PA Wing Directly.
- h) Travel expenses such as fuel, tolls, meals, and lodging must have a notation stating the event, meeting or purpose of the travel. Meals reimbursement should not exceed \$25.00 per day, please strive to be frugal.
- i) Each Department/Event will be billed for copies made on the PA Wing copy machine \$.015 single sided and \$.017 for double sided copies. When reproducing large quantities of documents a cost analysis should be done. Printing can be much cheaper than copies (Kinko's is not a printing company.)

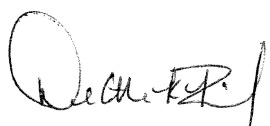
9 PAWG Expense Report Instructions

- a) The PAWG Expense Report Form is located on the PAWG Web Page or you can request a copy for duplication through PAWG Headquarters.
 - b) A completed PAWGF –108-1 FEB 2000 Expense Report must accompany all receipts, bills or invoices for reimbursement or payment.
- Line 1: The Name of the person or business the check is to be made payable to.
- Line 2: The Address the check is to be sent to.
- Line 3a: The Date of the receipt or bill.
- Line 3b: The place the item was purchased.
- Line 3c: The description of the item for justification of expense. i.e. gas - meeting/event & date.
- Line 3d: The Department or Project Budget the item is to be charged i.e. Cadet Programs, Encampment, Administration, Logistics, Communications, etc.
- Line 3e: The Category the item should be posted to; Office Supplies, Office Equipment, Awards, etc. See CAPR 173-1 (E) attachment for definitions.
- Line 3f: The Amount of the item. Review the expense report. Check that balances equal receipts,
- Line 4: The total of the Expense Report.
- Line 5: Signature of the Submitter.
- Line 6: Department Director's Signature or Command Group, FM, or EX signature.
- c) All expenses must comply with the expense guidelines described in the CAP National Regulations and the Finance Procedures of PA Wing.

10 PAWG Purchase Order Form Instructions

- a) The PAWG Purchase Order Form is located on the PAWG Web Page or you can request a copy for duplication through PAWG Headquarters.
- b) A completed PAWGF- Purchase Order Form must be completed for any items that are ordered and the bill is to be sent directly to PA Wing.
Line 1: The Date you are completing the form.
Line 2: Purchase Order #. This is a control number. Please contact the PA Wing EX, Accountant or FM for this number.
Line 3a: The name of the business that the items are being ordered from.
Line 3b: Payment Address.
Line 3c: Business contact phone number.
Line 4: The name of the member that is requesting the items.
Line 5: The Department or Project Budget the item(s) is to be charged i.e. Cadet Programs, Encampment, Administration, Logistics, Communications, etc.
Line 6: The Category the item should be posted to; Office Supplies, Office Equipment, Awards, etc.
Line 7a: Item Number from the Company or Business.
Line 7b: Description of the item.
Line 7c: Unit Price
Line 7d: Quantity Ordered
Line 7e: Quantity Received. This is to be completed after the order is received in good Condition.
Line 7f: Total Price
Line 8: Department Director's Signature or Command Group, FM or EX signature.
Line 9: The Signatures name printed.
Line 10: The Invoice numbers of the attached Invoice(s) or any other notes.
- c) Department Director must sign Purchase Orders for expenses that are to be deducted from their department's allocation.
- d) All expenses must comply with the expense guidelines described in the CAP National Regulations and the Finance Procedures of PA Wing.

OFFICIAL:



Finance Officer

DEETTE K. RILEY
Maj, CAP
Director of Finance



M. ALLEN APPLEBAUM
Colonel, CAP
Commander

OPR: FM

Distribution: in accordance with CAPR 5-4